ARTICLE APPEARED
ON PAGE A-/

NEW YORK TIMES 10 July 1986

U.S. Expected to Act to Bar Book Profits for Spies

By KATHERINE BUSINESS Special to The New York Water

SAN FRANCISCO, July 9 — Justice Department officials say the department will ask Congress to include espionage in an existing Federal law that bars people convicted of Federal crimes from profiting from the sale of their stories.

The law, modeled after those in New York and other states, now provides that such profits go only to the victims of a violent crime.

The plan in the Justice Department was prompted by testimony in Federal District Court here by Margaret Walker that her father, John A. Walker Jr., expected to earn more than a million dollars from the book and movie rights for the story of his 18 years of explonage. Some writers and others are skeptical about the amount, but a number of book and movie projects about the Walker spy ring are in progress.

Sentencing to Be Next Month

Mr. Walker, who has confessed that he headed a Soviet spy ring that the Government has characterized as the most damaging espionage conspiracy against the United States in three decades, will be sentenced next month in Baltimore. Under his plea agreement with the Government, he is expected to be sentenced to life in prison.

Last year, in a letter written from jail to his former flancée, Mr. Walker said he had turned down as "too low" an offer of \$750,000 for book and movie rights to his story.

More than half a dozen books and atleast one film for television involving various members of the Walker family are said to be in the planning stages. Mr. Walker, his brother Arthur and his son Michael have all been convicted of stealing secret military information that was sold to Soviet agents by John Walker.

Cary H. Copeland, a lawyer in the legislative affairs section of the Justice Department, said the Federal statute dealing with profits earned in the sale of a personal account of someone convicted of a Federal crime dated from 1984. He said it was patterned afterstate laws enacted in response to the sale of a story by David Berkowitz, a convicted serial murderer in New York who became known as "Son of Sam" at the time he committed murders in 1978-77 because he signed notes that way.

The Federal law now covers only: crimes "resulting in physical harm to an individual," Mr. Copeland said. He said his office would seek to add crimes

"jeopardizing the security of the United States."

Two New York state senators are seeking to strengthen the state law to call for civil and criminal sanctions against publishers or authors who pay money to a criminal for the rights to a story.

stery.
."I can't think of a better crime to be sacluded than the ultimate sleanes," said Joseph E. diGenova, the United States Attorney in Washington, who recently prosecuted Jonathan Jay Polisard for selling classified documents to large!

Mr. diGenova said prosecutors had made it part of Mr. Pollard's plea agreement with the Government that he assign to the Government all profits from any book, movie or interview.

No such agreement was made in the case of John Walker, perhaps because his cooperation was badly needed by the Government in attempting to prove the espionage case against a fourth defendant, Jerry A. Whitworth. Mr. Whitworth is on trial here on charges that he passed stolen Navy cryptographic data to Mr. Walker in exchange for \$332,000.

John Walker, his brother and his son, who have all been convicted of espionage, as well as John Walker's former wife, Barbara Joy Crowley Walker, and two of their daughters have testified at Mr. Whitworth's triai.

Reporter Said to Be Involved

People working on book or movie projects involving the Walker case say that John and Arthur Walker are cooperating with Peter Earley, a reporter for The Washington Post, on a book to be published by Bantam.

be published by Bantam.
Mr. Earley declined to say whether the Walker brothers were cooperating with him or what financial arrangements he might have with them. He said he had not concluded his agreement with Bantam.

Told that Margaret Walker had testified that her father had asked her assistance in selling his story, Mr. Earley said he had never spoken to Missi Walker.

Interviewed by telephone in Virginia, Miss Walker declined to comment on financial arrangement her father may have made. Miss Walker and her sister, Laura Walker Snyder, both testifed that they had their own book projects.

Other Projects in the Works

Barbara Walker and Pamela K. Carroll, John Walker's former fiancée, are reported to be cooperating on other projects involving the case. None of the women have been charged with a crime, and one author said he regarded them as John Walker's victims.

Asked whether John Walker was being paid to tell his story to Mr. Earley, Stuart Applebaum, a vice president of Bantam, said: "All I can tell you is that we expect to enter into an

agreement with Mr. Earley on a book on the Walker espionage case. His book will incorporate exclusive material."

Asked about Bantam's policy on paying convicted criminals for their stories, Mr. Applebaum said no one at Bantam would comment because it mas company policy not to discuss confidential business relationships with authors.

Micholas H. Ellison, a New York liferary agent who represents Mr. Earley, would not say whether John Walker would receive money from Mr. Eastey's project. "But nothing murky, illegal or immorel in any way, shape or them is going on here," Mr. Ellison said.

· John Walter Owes Taxes

Stanley Reed, a lawyer in Bethesda with is representing John Walker in dealing with the Internal Revenue Service about taxes owed on the money Mr. Walker earned as a spy, declined to say whether Mr. Walker was being paid for any book project.

He said that there was a tax assessment of \$250,000 on all of Mr. Walker's property and assets that Mr. Walker's must pay the Government. It is unlikely that the auction of Mr. Walker's home and other property will bring enough for that, Mr. Reed said.

In Los Angeles, the Phoenix Entertainment Group said it hoped to produce a four-hour television movie on the Walker case for the CBS network. According to Jennifer Faulstich, a producer, Mr. Earley holds releases from John and Arthur Walker that Phoenix is attempting to option for the film.

Because of the possibility of libel suits, television no longer makes movies based on true stories unless the producer can obtain releases from the parties involved, she said. If the subject of the film is in jail, "you usually work through a third party who went in and got these releases," she said. No money would be paid by Phoenix directly to Mr. Walker, she said.

'Not That Kind of Money'

Ms. Faulstich declined to say how much John Walker might have asked for his release for the project. When told Margaret Walker had testified that he expected to earn more than a million dollars, Ms. Faulstich said: "We did not pay that kind of money, not even close to that kind of money, for him. But we paid him a good fee. I mean, not him, but whoever."

Continued

Robert H. Poweil, a Norfolk lawyer who represents Arthur Walker in his dealings with news organizations, would not say whether his client was being paid to cooperate with Mr. Earley. Arthur Walker his been sentenced to life in prison and his main concern is providing for his wife, Mr. Powell said.

to life in prison and his main concern is providing for his wife, Mr. Powell said.

It has been explained to John Walker that a "contribution to Arthur's wife would be appropriate," Mr. Powell

Spokesmen for several publishers planning books on the Walker case said they had no knowledge of any deals that might have been struck because their contracts were only with their authors, not any of the principals.

Paul Hudson, counsel for the New York Crime Victims Board, said such reasoning was being used frequently by publishers attempting to avoid the requirement of the state "Son of Sam" law, which requires that contracts with allow the board to people who have violated state laws be scrutinized by the board and that, where applicable, profits be held in escrew to aid any victims of the crime.

A spokesman for State Senator Christopher Mega, a Brooklyn Republican, called such action "a subterfuge to avoid the law." Senator Mega has introduced legislation that would make it a misdemeanor not to submit to the board contracts with criminals. The requirement would apply to authors as

Similarly, State Senator Emanuel R. Gold, a Queens Democrat who was the author of New York's "Son of Sam" law in 1977, has introduced a bill to allow the board to get court orders to obtain contracts from publishers. This would provide for a fine against offending publishers amounting to three times the amount paid to a criminal for

a story.